



**MARKET ACCESS SECRETARIAT  
Global Analysis Report**

## Sector Trend Analysis

### Snack Foods in the United States

**Septembre 2016**



#### EXECUTIVE SUMMARY

In 2015, the snack sector continued to experience growth both in volume and in retail sales with a compound annual growth rate (CAGR) of 4.2% and 2.1% from 2011 to 2015. As the U.S. household shrinks, snacking continues to replace traditional meals and increase the sales of snack products that are healthy, convenient, and bold in flavour.

The strongest growing snack categories are popcorn, other snacks\*, and nuts, with a CAGR of 7%, 6%, and 5.8% from 2011 to 2015. As consumers continue to consume healthier options, there is an expected growth in energy and nutrition bars with a projected CAGR of 6% (Euromonitor International, 2015).

Frito-Lay Co., CongAgra Foods Inc., and Link Snacks Inc are the top snack companies in the U.S. Together they account for 52% of the snacks category in 2015, while private labels and other (unspecified) companies accounted for 35.1% (Euromonitor International, 2015). Companies with snack products that align with the health and meal replacement trends are gaining successful growth within the snack sector, such as Hain Celestial Group and Hershey.

From January 2010 to December 2015, 13,991 new snack products were launched in the U.S., with an average of 2,332 product launches per year. The top five snack products were snack/cereal/energy bars (with 2,852 new products), nuts (1,636), fruit snacks (1,420), corn-based snacks (1,219), and potato snacks (1,210).

**Note:** Other snacks include jerky, snack mixes/combo packs, trail mixes, seeds, pita chips, and pork scratchings

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## MARKET TRENDS

In 2015, snacks in the United States (US) continued to see growth in both retail and volume sales, with a compound annual growth rate (CAGR) of 4.2% and 2.1% from 2011 to 2015. This growth is largely due to the changing household size and growing preference for convenience and bold new flavoured products.

The American household is shrinking, resulting in an increase in consumer preference for snack foods over traditional sit-down meals. This change is now growing demand for single-portion, portable, and healthier snack products (Euromonitor International, 2015).

Convenience is continuing to be a key factor in consumer's preference for certain snacks over others. For example, consumers are shifting away from microwave popcorn brands to less fresh, pre-popped brands such as Skinny Pop and Smartfood. This focus on convenience is significantly impacting the retail landscape, where convenience stores are gaining more shares over larger supermarkets. Following this trend, there has been an increase of 2% in the average unit price across all snack products in 2015 (Euromonitor International, 2016).

Lastly, younger consumers are having a notable impact on snack innovation as manufacturers are continually revolutionizing snack products with bold and spicy flavours that appeal to them (Euromonitor International, 2015).

## CONSUMER BEHAVIOUR

In the US, 94% of consumers snack at least once a day, while more than 50% are likely to snack 2 to 3 times a day. As snacking is replacing traditional meals, 33% of consumers are snacking on healthier foods more than ever before. In Mintel research, younger consumers are more likely to snack than older consumers and are also more likely to be emotional snackers than functional snackers.

In Mintel research it was also determined that 63% of American consumers value the taste of salty snacks more than healthier snacks. However, consumers are finding a balance between health and indulgence, where 34% of snackers are limiting their intake of sweet snacks. This is especially true for older consumers (Mintel, 2015).

## SECTOR ANALYSIS

In 2015, snack products saw a 3% increase in sales with a closing total of US\$ 44.3 billion. Snack products are also expected to increase at a CAGR of 2.3% from 2016 to 2020. The strongest growing category is popcorn with a CAGR of 7.1% from 2011 to 2015. It is expected to maintain the strongest growth in the next forecasted period with a projected CAGR of 3.1% and value sales of US\$ 3.5 billion by 2020. This growth will stem from a continued shift towards ready-to-eat brands with health-focused positioning.

The second fastest growing snack category is "other snacks" (largely dominated by high-protein meat snacks and trail mixes) with a sales value of US\$ 6.4 billion and a CAGR of 6% from 2011 to 2015. Within the "other snacks" sub-category, jerky was the primary driver of growth with 42% market share (Euromonitor International, 2015).

Nuts were the third fastest growing category with a 3% increase in value sales of US\$4.6 billion. This category is expected reach US\$ 5.3 billion by 2020, with a CAGR of 2.1% from 2016 to 2020. Growth will largely stem from health-positioned products and innovation with stronger flavours that younger consumers enjoy (Euromonitor International, 2015).

Within the snack bars category, energy and nutrition bars (one of the biggest beneficiaries of the current snacking trends) are expected to see strong growth with a projected CAGR of 6% from 2016 to 2020.



This sub-category is expected to see high levels of innovation, specifically with manufactures such as Hershey and Mars (Euromonitor International, 2015).



Source: Euromonitor International, 2015

#### Historic Retail Sales of Snack Products in the United States, in US\$ millions

| Category        | 2011     | 2012     | 2013     | 2014     | 2015     | 2011-2015 CAGR*(%) |
|-----------------|----------|----------|----------|----------|----------|--------------------|
| Snacks          | 37,567.7 | 39,740.1 | 41,189.3 | 43,007.8 | 44,303.7 | 4.2                |
| Crisps          | 7,101.8  | 7,285.0  | 7,416.2  | 7,849.5  | 8,034.1  | 3.1                |
| Tortilla Chips  | 6,313.5  | 6,556.6  | 6,818.9  | 7,187.5  | 7,339.3  | 3.8                |
| Snack Bars      | 5,986.0  | 6,288.5  | 6,496.2  | 6,643.5  | 6,846.4  | 3.4                |
| Other Snacks**  | 5,111.5  | 5,578.7  | 5,853.1  | 6,165.0  | 6,442.4  | 6                  |
| Extruded Snacks | 4,611.1  | 4,873.9  | 5,015.2  | 5,157.6  | 5,384.1  | 4                  |
| Nuts            | 3,626.8  | 4,068.9  | 4,231.7  | 4,430.5  | 4,549.8  | 5.8                |
| Popcom          | 2,173.8  | 2,321.7  | 2,497.0  | 2,697.5  | 2,856.6  | 7.1                |
| Pretzels        | 1,620.6  | 1,725.7  | 1,797.3  | 1,820.2  | 1,821.9  | 3                  |
| Fruit Snacks    | 1,022.6  | 1,041.1  | 1,063.8  | 1,056.6  | 1,029.1  | 0.2                |

#### Historic Volume Sales of Snack Products in the United States, in '000 tonnes

| Category        | 2011    | 2012    | 2013    | 2014    | 2015    | 2011-2015 CAGR*(%) |
|-----------------|---------|---------|---------|---------|---------|--------------------|
| Snacks          | 3,555.2 | 3,631.2 | 3,679.9 | 3,800.7 | 3,859.0 | 2.1                |
| Tortilla Chips  | 721.6   | 732.6   | 740.6   | 789.5   | 805.0   | 2.8                |
| Crisps          | 729.3   | 736.9   | 738.3   | 780.6   | 787.4   | 1.9                |
| Extruded Snacks | 444.7   | 460     | 467.7   | 466.1   | 478.6   | 1.9                |
| Popcom          | 337.9   | 346.5   | 350.0   | 364.9   | 385.3   | 3.3                |
| Nuts            | 329.3   | 331.8   | 341.9   | 347.8   | 351.5   | 1.6                |
| Other Snacks*   | 301.7   | 318.4   | 327.3   | 329.9   | 332.5   | 2.5                |
| Pretzels        | 283.9   | 293.8   | 302.5   | 303.9   | 301.2   | 1.5                |
| Snack Bars      | 281.5   | 286.2   | 286.0   | 289.5   | 295.5   | 1.2                |
| Fruit Snacks    | 125.4   | 125.0   | 125.5   | 128.5   | 122.0   | -0.7               |

Source for both: Euromonitor International, 2015

\*CAGR: compound annual growth rate

\*\*Other snacks include jerky, snack mixes/combo packs, trail mixes, seeds, pita chips, and pork scratchings



### Forecast Retail Sales of Snack Products in the United States, in US\$ millions

| Category        | 2016     | 2017     | 2018     | 2019     | 2020     | 2016-2020 CAGR*(%) |
|-----------------|----------|----------|----------|----------|----------|--------------------|
| Snacks          | 45,400.6 | 46,403.2 | 47,457.1 | 48,560.9 | 49,686.7 | 2.3                |
| Crisps          | 8,155.8  | 8,285.2  | 8,430.0  | 8,587.5  | 8,750.8  | 1.8                |
| Tortilla Chips  | 7,498.0  | 7,685.2  | 7,880.2  | 8,096.0  | 8,315.9  | 2.6                |
| Other Snacks    | 6,641.5  | 6,850.1  | 7,057.1  | 7,271.4  | 7,497.9  | 3.1                |
| Snack Bars      | 7,001.1  | 7,097.4  | 7,214.2  | 7,340.1  | 7,472.6  | 1.6                |
| Extruded Snacks | 5,551.5  | 5,654.5  | 5,750.9  | 5,842.9  | 5,930.7  | 1.7                |
| Nuts            | 4,656.1  | 4,796.3  | 4,951.7  | 5,117.8  | 5,292.1  | 3.3                |
| Popcorn         | 3,070.3  | 3,197.0  | 3,306.6  | 3,399.8  | 3,473.3  | 3.1                |
| Pretzels        | 1,813.4  | 1,828.7  | 1,852.0  | 1,879.1  | 1,911.1  | 1.3                |
| Fruit Snacks    | 1,012.9  | 1,008.9  | 1,014.6  | 1,026.3  | 1,042.3  | 0.7                |

### Forecast Volume Sales of Snack Products in the United States, in '000 tonnes

| Category        | 2016    | 2017    | 2018    | 2019    | 2020    | 2016-2020 CAGR*(%) |
|-----------------|---------|---------|---------|---------|---------|--------------------|
| Snacks          | 3,940.5 | 4,009.7 | 4,081.3 | 4,155.2 | 4,227.9 | 1.8                |
| Tortilla Chips  | 824.1   | 842.6   | 860.5   | 879.7   | 898.6   | 2.2                |
| Crisps          | 800.9   | 815.7   | 832.4   | 850.1   | 868     | 2                  |
| Extruded Snacks | 492.7   | 500.8   | 508.1   | 515     | 521.6   | 1.4                |
| Popcorn         | 407.2   | 416.5   | 423.3   | 428     | 430.2   | 1.4                |
| Nuts            | 356.5   | 363.6   | 371.3   | 379.2   | 387.1   | 2.1                |
| Other Snacks**  | 337.3   | 342.5   | 348     | 353.8   | 359.8   | 1.6                |
| Snack Bars      | 302.3   | 307.2   | 313.1   | 319.6   | 326.3   | 1.9                |
| Pretzels        | 300.1   | 302.5   | 306.1   | 310.4   | 315.4   | 1.2                |
| Fruit Snacks    | 119.4   | 118.3   | 118.5   | 119.5   | 121     | 0.3                |

Source for both: Euromonitor International, 2015

\*CAGR: compound annual growth rate

\*\*Other snacks include jerky, snack mixes/combo packs, trail mixes, seeds, pita chips, and pork scratchings

## COMPETITIVE LANDSCAPE

PepsiCo Inc.'s Frito-Lay division continue to lead the snacks sector with 45% market share. However, in 2015 the company's shares declined due its lack of presence in the fastest growing "other snack" category. Alternatively, Hain Celestial Group is one of the fastest growing companies in the sector by doubling its shares to 1% in 2015 with brands that aligned with the health and wellness trends (Euromonitor International, 2015). Another growing player within this sector is Hershey, after acquiring Krave Pure Foods Inc. the company gained rapid growth with its premium jerky brand.

Private labels are experiencing low growth within the snacks sector with only 10% value share in 2015. This is due to the perceived quality gap between private label products and branded products. However, private labels are able to gain success in fruit snacks, nuts, trail mixes, and other snacks categories in which they had 27%, 28%, and 12% market share in 2015 (Euromonitor International, 2015).

For the snack sector, supermarkets, hypermarkets, and forecourt retailers are major distribution channels, all accounting for 72% share of retail sales. However, channels such as convenience stores are growing retail channels, with 3.8% market share.



## NEW PRODUCT LAUNCH ANALYSIS

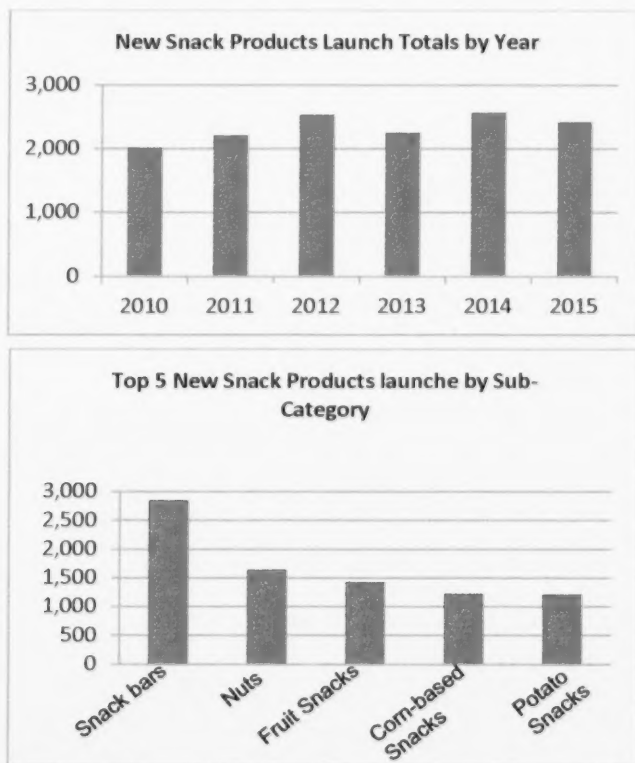
This section combines all snack products based on new product launches from January 2011 to December 2015.

According to the Mintel Global New Products Database (GNPD), there were 13,991 new snack products launched in the U.S., with an average of 2,332 product launches per year. Of these products, 38% were new products and 62% were a combination of new variations (packaging, formulation, and variety/range extensions) of existing products. In addition, 4,009 of the total were branded while 1,281 were private-label products.

Within the 13,991 new product launches, the top five snack products were snack/cereal/energy bars (with 2,852 new products), nuts (1,636), fruit snacks (1,420), corn-based snacks (1,219), and potato snacks (1,210). Spring water, Jabuticaba powder, Yerba Mate extract, Goji extract, and Amla powder are the top five new ingredients appearing in the snack category for the first time (tracked by GNPD). While the fastest growing flavours consist of cherry, vegetable, pork, ginger, carrot, and vinegar.

The top growing claims in the U.S. within the snacks category are hormone free, event merchandising, ethical – human, and bone health. The top declining claims are Carbon Neutral, Low/No/Reduced Saturated Fat, Low/No/Reduced Calorie, Vegetarian, and Vitamin/Mineral Fortified.

Within the last five years of the new snack products launches in the U.S., 5% were imported from the world while 95% were domestic (Mintel GNPD, 2016). The top countries the U.S. imported new snack products from were Canada (338), China (56), Mexico (55), Thailand (50), and South Korea (27).



Source for both: Mintel GNPD, 2016



# **New Product Launches of Snacks Products in the United States January 2010 to December 2015**

| Feature*                               | Yearly Launch Counts |       |       |       |       |       |
|----------------------------------------|----------------------|-------|-------|-------|-------|-------|
|                                        | 2010                 | 2011  | 2012  | 2013  | 2014  | 2015  |
| Yearly product launches                | 2,017                | 2,206 | 2,534 | 2,250 | 2,569 | 2,415 |
| <b>Top Five Claims</b>                 |                      |       |       |       |       |       |
| Kosher                                 | 766                  | 800   | 844   | 1039  | 1355  | 1357  |
| Low/No/Reduced Allergen                | 391                  | 439   | 437   | 734   | 1102  | 1133  |
| Gluten-Free                            | 351                  | 418   | 411   | 699   | 1066  | 1084  |
| No Additives/Preservatives             | 461                  | 458   | 452   | 551   | 750   | 717   |
| Low/No/Reduced Transfat                | 574                  | 433   | 453   | 420   | 534   | 479   |
| <b>Import Status</b>                   |                      |       |       |       |       |       |
| Imported                               | 0                    | 2     | 0     | 159   | 316   | 269   |
| Not Imported                           | 0                    | 0     | 0     | 322   | 753   | 802   |
| <b>Storage</b>                         |                      |       |       |       |       |       |
| Shelf Stable                           | 1803                 | 1996  | 2303  | 2081  | 2367  | 2256  |
| Frozen                                 | 171                  | 146   | 150   | 144   | 142   | 110   |
| Chilled                                | 43                   | 64    | 81    | 25    | 60    | 49    |
| <b>Top Five Flavours (incl. blend)</b> |                      |       |       |       |       |       |
| Unflavoured/Plain                      | 225                  | 254   | 314   | 226   | 236   | 255   |
| Not specified                          | 203                  | 185   | 205   | 166   | 173   | 62    |
| Flavours Unavailable                   | 88                   | 90    | 87    | 54    | 51    | 33    |
| Salt (Sea)                             | 31                   | 39    | 56    | 53    | 87    | 85    |
| Chocolate (unspecified)                | 42                   | 48    | 65    | 53    | 48    | 32    |
| <b>Top Five Ingredients**</b>          |                      |       |       |       |       |       |
| Salt                                   | 792                  | 809   | 954   | 1356  | 1599  | 1412  |
| White Sugar                            | 542                  | 598   | 695   | 1011  | 1209  | 1030  |
| Food Acids                             | 519                  | 541   | 621   | 1013  | 1166  | 1001  |
| Natural Flavoring Substance            | 444                  | 499   | 571   | 966   | 1119  | 985   |
| Sunflower Seed Oil                     | 294                  | 334   | 420   | 702   | 889   | 844   |
| <b>Top Five Packaged Types</b>         |                      |       |       |       |       |       |
| Flexible                               | 1224                 | 1374  | 1617  | 1546  | 1717  | 1556  |
| Flexible stand-up pouch                | 214                  | 323   | 252   | 275   | 380   | 477   |
| Not Specified                          | 213                  | 182   | 130   | 90    | 97    | 32    |
| Composite                              | 55                   | 97    | 83    | 62    | 53    | 60    |
| Flexible sachet                        | 59                   | 37    | 80    | 60    | 58    | 93    |
| <b>Top Five Companies</b>              |                      |       |       |       |       |       |
| Aldi                                   | 80                   | 66    | 44    | 60    | 62    | 165   |
| Frito-Lay                              | 61                   | 54    | 68    | 87    | 88    | 43    |
| General Mills                          | 50                   | 46    | 55    | 69    | 91    | 48    |
| Target                                 | 25                   | 35    | 22    | 126   | 85    | 43    |
| Kroger                                 | 18                   | 21    | 71    | 45    | 80    | 56    |
| <b>Country of Manufacture</b>          |                      |       |       |       |       |       |
| United States                          | 0                    | 0     | 0     | 322   | 753   | 802   |
| Canada                                 | 0                    | 0     | 0     | 66    | 137   | 135   |
| China                                  | 0                    | 2     | 0     | 9     | 33    | 12    |
| Mexico                                 | 0                    | 0     | 0     | 11    | 25    | 19    |
| <b>Manufacturer Type</b>               |                      |       |       |       |       |       |
| Branded                                | 1532                 | 1633  | 1786  | 1616  | 1873  | 1679  |
| Private Label                          | 485                  | 573   | 748   | 634   | 696   | 736   |

Source for both: Mintel Global Products Database (GNPD), 2016

\*Note ranking is based on 2010 to 2015 data

\*\*Note: the totals for ingredient count will add to more than the total launches as products can use multiple ingredients.



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- [ats-sea.agr.gc.ca](http://ats-sea.agr.gc.ca)

## RESOURCES

Euromonitor International, 2015. *Sweet and Savoury Snacks in the US*.

Euromonitor International, 2016.

Mintel Global New Products Database, 2016.

Mintel Market Sizes, 2014. *Snack Food*.

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Mintel, 2015. *A snacking nation: 94% of Americans snack daily*.



## SNACK FOODS IN THE UNITED STATES

### *Global Analysis Report*

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